

STATE OF HAWAII – INSURANCE DIVISION
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
P.O. BOX 3614
HONOLULU, HAWAII 96811-3614

SERVICE CONTRACT PROVIDER'S
FINANCIAL RESPONSIBILITY STATEMENT

_____ is in compliance with the financial
Name of Service Contract Provider

responsibility requirements of section 481X-4, Hawaii Revised Statutes, under one of the
options checked below:

_____ 481X-4(1) Insure all service contracts under a contractual liability insurance
policy. **(Please submit a copy of the active policy)**

_____ 481X-4(2) Provider shall:

(A) Maintain a funded reserve (in force contracts):

Gross amount received: _____

Less: Claims Paid: _____

Equals Net Received: _____

Times 40% Reserve Rate: _____ x .40

Equals Funded Reserve required: _____

(Please provide an explanation of how this reserve is funded.)

AND

(B) Security deposit not less than \$25,000 or 5% of gross consideration
received less claims paid **(Please submit the security deposit and
worksheet if other than \$25,000)**

_____ 481X-4(3) Provider or parent company shall:

(A) Maintain a net worth or stockholders equity of \$100,000,000

AND

**(B) Submit the Provider's or Providers Parent's most recent 10K or
Form 20F filed with the SEC or audited financial statement.**

ALSO

If the financial responsibility requirement under this paragraph is to be
maintained by the provider's parent company, the parent company shall
guarantee the provider's obligations under service contracts sold by the
provider in this State. **(Please submit a written statement signed by an
officer of the parent company to this effect.)**

(Only a brief description is provided for each option above. For complete details see section
481X-4 of the Hawaii Revised Statutes.) Two authorized officers must sign below.

Signature (officer /owner)

Date

Signature (officer /owner)

Date

Name (print)

Name (print)

Title

Title